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UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re: RANDALL'S ISLAND FAMILY  
GOLF CENTERS, INC.

Chapter 11  
Case No. 00-41065 (SMB)  
(jointly administered with  
case nos. 00-41066 through  
00-41196)

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OBJECTIONS OF FIRST REPUBLIC BANK TO THE DEBTORS' MOTION (I)  
SEEKING AUTHORITY TO (A) OBTAIN POST-PETITION FINANCING; (B)  
GRANT LIENS AND PRIORITY ADMINISTRATIVE EXPENSE STATUS; (C)  
MODIFY AUTOMATIC STAY; (D) ENTERING INTO CERTAIN FINANCING  
AGREEMENTS; AND (II) AUTHORIZING USE OF CASH COLLATERAL

First Republic Bank, ("FRB") by and through its undersigned counsel, Obermayer  
Rebmann Maxwell and Hippel LLP hereby objects to the Debtors' Motion (I) Seeking  
Authority To (A) Obtain Post-Petition Financing; (B) Grant Liens And Priority  
Administrative Expense Status; (C) Modify Automatic Stay; (D) Entering Into Certain  
Financing Agreements; And (II) Authorizing Use Of Cash Collateral (the "Motion"). In  
opposition to the relief requested in the Motion, FRB respectfully represents as follows:

1. FRB is a secured creditor of the Debtor subsidiary known as the Voorhees  
Family Golf Centers, Inc. ("VFGC"), a golf center located on Route 73, in Camden  
County, New Jersey (hereinafter the "Facility"). VFGC became obligated to FR pursuant

to a certain Assumption Agreement dated October 12, 1998 (the "Assumption Agreement") wherein VFGC assumed all obligations of Stafford FamilyPark Partners, LP, the former owner of the Facility.

2. Pursuant to a certain Note, Mortgage and Security Agreement dated March 15, 1996, and recorded in Mortgage Book 4492, page 389 in the Camden County Clerk's office (the "First Mortgage"), FRB holds a duly perfected, valid and enforceable first mortgage on the Facility. Pursuant to a certain Assignment of Rents and Leases, Financing Statement and UCC-1 filings, FRB possesses a first priority lien on the revenues generated at the Facility, including, but not limited to, the concessions, pro shop and other fees generated in the course of the VFGC's business. VFGC is also obligated to FRB pursuant to the Assumption Agreement on a certain Note (the "First Note") in the principal amount of \$2,000,000.00. At present VFGC is indebted to FRB on account of the First Note and First Mortgage in the total principal amount of \$2,000,000.00.

3. Pursuant to a certain Note, Mortgage and Security Agreement dated November 6, 1996, FRB holds a duly perfected, valid and enforceable second mortgage on the Facility (the "Second Mortgage"). Pursuant to a certain Assignment of Rents and Leases, Financing Statement and UCC-1 filings, FRB possesses a second priority lien on the revenues generated at the Facility, including, but not limited to, the concessions, pro shop and other fees generated in the course of the VFGC's business. VFGC is also liable to FRB pursuant to the Assumption Agreement on a Note (the "Second Note") in the principal amount of \$250,000.00.

4. The obligations under the First Note and Second Note are cross-collateralized and cross defaulted with each other, as are the obligations under the First and Second Mortgage.

5. Pursuant to a certain Surety Agreement dated October 12, 1998, Family Golf Centers' Inc. ("FGCI") executed a certain Suretyship Agreement wherein it acknowledged the benefits provided by the FRB financing and further agreed to become surety for the obligations of VFGC to FRB.

6. The principal balance of the First Note and Second Note, are approximately 2,000,000.00 and \$250,000.00 respectively, without current interest and attorneys fees and costs to date.

7. Prior to the Petition Date, FRB sent VFGC a notice of defaults due the material adverse changes in the financial condition of VFGC and FGCI. Before FRB could foreclose its liens, VFGC and FGCI filed for protection under Title 11, Chapter 11 of the U.S. Code.

8. The Debtors are delinquent on their payment obligations to FRB having failed to make the required May interest payments when due as provided under the loan documents.

9. The Motion requests a "first priority lien on certain fee, leasehold and concession interests listed on Exhibit B to the Motion" (See Motion at ¶ 54 (b)) and a "first priority lien on all other assets of the Debtors, real or personal, if any whether now or hereafter acquired, subject and subordinated only to. . ." existing lenders.

10. The Facility is listed in the Motion as one of the properties upon which the Debtor intends to offer the Post-Petition Lenders first priority liens. Though at certain

points in the Motion, the Debtor represents that it will not offer the Post-Petition Lenders first priority liens on property currently encumbered by other non-Chase Lenders. The Exhibit "B" attached to the Motion does not reflect the Facility as being subject to FRB's liens.<sup>1</sup> FRB objects to any attempts to prime or otherwise subordinate its liens.

11. FRB objects strenuously to any effort to subordinate its lien to the liens of the Post-petition Lenders, and believes that it would not be adequately protected by any such attempt to prime its lien. Though FRB is fully secured as to the Facility, a priming lien of the nature and extent as represented in the Motion would have the effect of causing a diminution in the collateral securing FRB's liens and claims. Though counsel to the Debtors has stated that the Debtors do not intend to prime FRB's liens, the Motion was not clear on this point.

12. FRB further objects to any request for relief in the Motion that does not provide for the immediate payment of the current interest obligations to FRB, including interest due to FRB pursuant 11 U.S.C. §506, or as required by the Loan Documents.

13. FRB further objects to the Debtors' continued use of cash collateral from the Facility unless and until such time as the Debtor has provided projections for their operations, have offered adequate protections payments to FRB and have otherwise assured FRB that its interests in cash collateral will be adequately protected during the proceedings. Moreover, FRB is entitled to replacement liens in its favor for any use of cash collateral, and an administrative claim for any diminution in FRB's collateral.

14. FRB objects strenuously to an insider of the Debtors, including Mr. Chang from getting any fees costs or other expense in connection with the financing, particularly

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<sup>1</sup> This assumption that the Debtors intended to prime FRB's liens is based, in part on the absence of an asterisk next to the Facility in Exhibit "B". Based upon the Exhibit, only those properties designated with an asterisk are subject to existing liens.

when the other Post-petition Lenders are ready willing and able to fund without Mr. Chang's involvement.

15. Finally FRB objects to its cash collateral being used to fund payment of administrative and other expenses unless and until its interests in cash collateral are adequately protected.

WHEREFORE, FRB prays this court enter an order denying the Motion to the extent it: (a) seeks to prime the liens of FRB; (b) does not make any provision for the payment of current interest to FRB on the First Note and Second Note; and (c) does not provide for replacement liens for the Debtor's use of cash collateral.

Dated: 5/24/00

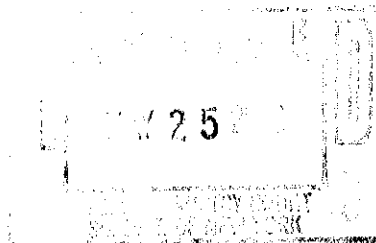


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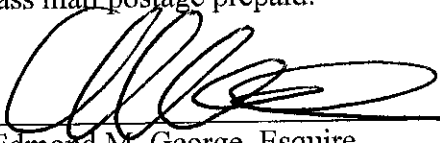
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CERTIFICATE OF SERVICE

I Edmond M. George, Esquire hereby certify that on May 24, 2000 a copy of the attached Objections Of First Republic Bank To The Debtors' Motion (I) Seeking Authority To (A) Obtain Post-Petition Financing; (B) Grant Liens And Priority Administrative Expense Status; (C) Modify Automatic Stay; (D) Entering Into Certain Financing Agreements; And (II) Authorizing Use Of Cash Collateral was served upon the parties on the attached list by first class mail postage prepaid.

  
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